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have to comprise all possessions productive of valuable service with passing time. It is worth considering whether this last is not precisely what the capital notion ought to do—as the only thing that it could possibly be good for.

H. J. DAVENPORT

THE UNIVERSITY OF CHICAGO

Die Wert- und Preistheorie, mit Berücksichtigung ihrer dogmengeschichtlichen Entwicklung. Von BERNHARD ROST. Leipzig: Duncker & Humblot, 1908. Pp. 207.

Dr. Rost appears to be substantially an adherent of the Austrian school of value, so far, at least, as concerns the psychological aspects of the problem.

He begins by distributing *Wert* into two main subdivisions, *subjective worth* and *objective worth*. “Under subjective worth is denoted the importance which the economic man ascribes to a good as furthering his life-welfare” (p. 7). It is to be noted here that, in this interpretation of *Wert*, no notion of relativity is suggested or implied; it is merely asserted that a somewhat exists which may be later set over against something else and compared with this something: subjective worth is simply one term in some possible relation later to be established.

Likewise with objective worth—“The generally recognized capacity of a good to bring about some external result” (p. 13)—for example, the effectiveness of coal to produce so many units of heating power or to exert a certain number of units of energy. It is evident that here also is *Wert* employed only in the sense of an absolute magnitude.

And similarly with two out of the three subheads of subjective worth (p. 10):

(1) *Subjectiv Gebrauchswert* (use worth or utility—non-relative).

(2) *Subjectiv Ertragswert* (the capacity of a good to earn income when applied to productive purposes—non-relative).

(3) *Subjectiv Tauschwert* (the capacity of a good to serve individual needs through the method of exchanging it against other goods: an absolute magnitude of utility—but derivative from the relative standing of the good in the exchange process).

Here there begins to become manifest the disposition to play hide and seek with this term *Wert* and to oscillate between its relative and its absolute connotations; and this is further illustrated on

the page following: "When we say that all subjective worth is use-worth, we can with equal propriety assert that all worth is in final analysis income worth. Whether we employ goods for productive purposes or for our present needs, we do it in order to obtain from the goods an income" (p. 11). But this involves a confusion between exchange value as a market fact—a sheer exchange ratio—and the ultimate significance of the exchanged good in its capacity for service: in other words, it is an identification of utility, a non-relative thing, with market value, a relative thing: "We always employ the exchanged goods in a way to obtain from them a service or an income" (p. 11)—utility service versus value return.

Returning now for a moment to the analysis of *objective worth*—"the generally recognized capacity of a good to bring about some external result"—we find this non-relative concept to be presented in two senses, (1) a broader, and (2) a narrower interpretation: (1) "the recognized capacity of a good to satisfy human needs" (*menschliche Bedürfnisse zu befriedigen*)—which looks like nothing else than utility—and (2) "the recognized capacity of a good to render men a service" (p. 14)—which looks very much like the same thing. And yet it is said that (1) is not *worth* in the economic but only in the technological sense, and that this is what the classical writers had in mind as use value.

But it is none the less asserted on p. 15 that by *objective worth* in the narrower sense is to be understood "the general economic worth of goods"—which makes the concept clearly one of relativity, and is, in fact, precisely what the Austrians mean by objective exchange, *Wert*. This is followed by the announcement upon p. 16 that "*objective worth* in the narrower sense—or economic worth—is either use or income or exchange worth"—the first two of which are absolute volumes and the third a relative volume.

On p. 17 it is written that "under objective use worth is indicated the recognized capacity of a good to advantage the life-welfare of men"—mere utility seemingly—this, however, not to the individual man, but to men in general. But on p. 13 it was said that "the worth appraisal of a good implies not a general but rather an eminently individual character—both from the side of the individual and from the side of the good."

But to return to p. 17: "Under *objective income worth* is indicated the capacity of a good to render an income"—which implies a non-relative significance, no matter whether the income be one of

utility or one of value. But "under *objective exchange worth* is indicated the capacity of a good in the exchange process to buy other goods"—a relative use of the term *Wert*.

And in the following paragraph it is asserted that "scarcity is the characteristic mark for the emergence of all economic worth"—which is acceptable for exchange value, but will not hold for utility. And yet it was (on p. 14) said that under *objective worth in the economic sense* "is indicated the recognized capacity of a good to render man a service."

Surely if all this is possible of happening between pp. 10 and 17, the reader may justly infer that not much of great advantage to the value problem is likely to happen on any later page. There is, however, a significance attaching to the book in hand that may well call for both attention and emphasis. In fact, the author is for the most part to be excused from the responsibility for all this infinite mix-up: he is simply following the lead of his masters, the Austrians, in the employment of that peculiar terminology which has been at once the object of their pride and the occasion of their fall. But, in order that full justice may be done, it is forthwith to be added that the fault lies not entirely with the Austrians; the ultimate fault is with the German language. Rich and resourceful as this language may be in most cases and for most purposes it yet offers only this one word *Wert* as serving to cover the notion of *economic significance* in two quite distinct senses, the absolute and the relative English happens to be more happily circumstanced. That for purposes of economic analysis the distinction imperatively calls for recognition and that the German language does not readily lend itself to the needs of the case furnishes the explanation—and in some sense the excuse—for the limitless confusions in the Austrian value analysis and for the difficulty—well-nigh approaching impossibility—of either a trustworthy or an intelligible rendering over into English.

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NOTICES

Old-Age Pensions. By W. SUTHERLAND. London: Methuen & Co. [1907]. 8vo, pp. x+227.

The first half of this volume describes the principal old-age pension schemes which have been proposed for adoption in the United Kingdom. The two most prominent propositions—that for universal pensions and that of pen-